

Lower dairy prices contribute to fall in terms of trade

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In the June 2012 quarter, dairy export prices fell while petroleum import prices rose, Statistics New Zealand said today. These were the main contributors to a 2.6 percent fall in the terms of trade.

A fall in the terms of trade means that less imports can be funded by the same quantity of exported goods. The terms of trade are 6.8 percent lower than a year ago.

"The price of goods we export fell 1.0 percent in the June quarter, reflecting a further drop in international prices for dairy products," prices manager Chris Pike said. "At the same time, prices for imported goods rose 1.7 percent, reflecting higher oil prices."

While export prices were pushed down due to a 2.6 percent fall in dairy product prices in the June 2012 quarter, the trend for dairy volumes remains at a high level.

Petroleum and petroleum products (up 8.4 percent) were the largest contributor to a 1.7 percent rise in import prices in the June 2012 quarter.

The seasonally adjusted volume of exports in the June 2012 quarter was down slightly. The seasonally adjusted volume of imports was down 3.1 percent due a fall in intermediate goods, such as crude oil.

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